

INTELLOFAX 18

INFORMATION REPORT

CD NO.

COUNTRY China

CONFIDENTIAL

DATE DISTR. 5 MAY 50 50X1

SUBJECT Popular Irritation in Shanghai

NO. OF PAGES 1

PLACE ACQUIRED

NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO.

SUPPLEMENT TO REPORT NO. 50X1-HUM



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50X1-HUM



1. Among the taxes imposed by the Communists in Shanghai is one of 60 percent on Taiwan sugar. At first this was announced as 125 percent, but was reduced at the insistence of merchants.
2. For a short time there was no official rice on the market. At the same time black market dealers withheld their stocks. When available, black market rice was sold at .6 ounces of gold a picul. After the raid on the power companies of 6 February prices went up tremendously. Prices of candles went up three times in one day.
3. People believed that 1,000 squatters were killed in the raid on the French Power and Water Company and another 300 in a raid on shipping in the river.
4. The irritation of the people is expressed by their calling the Communists "one, two, three", which means one mouth, two legs, and three hand grenades, and not capable of doing anything. They gossip hopefully that TUNG PI-wu's stay in Nanking was for the purpose of investigating CH<sup>EN</sup> YI, who they say is out of favor in Peiping because of his way of living. They spread rumors that CH<sup>EN</sup> YI has been jailed and that MAO Tse-tung lost his freedom in Moscow.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States. Next Review Date: 2008.

Document No. [Handwritten] No Change in Class. [Handwritten] Class. Changed To: [Handwritten] Date: [Handwritten]

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